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Submission on Welfare Working Group Discussion Paper: Reducing Long-Term Benefit Dependency

The Dunedin Community Law Centre is a volunteer organisation that has been in operation for 30 years as a free legal advice, education, law reform and information service.

Our aims are:

- To provide and promote community based services that address unmet legal needs of all cultures in the community.
- To provide and promote legal training and education for university students.
- To promote the dissemination of legal knowledge throughout the community.
- To promote legal services and law reform which will increase access to justice and reflect the Treaty of Waitangi.

The Dunedin Community Law Centre (DCLC) welcomes the opportunity to comment on the Welfare Working Group's Discussion paper titled: "Reducing Long-Term Benefit Dependency." In commenting on this paper we would like to draw attention to the woefully short timeframe within which to make submissions, and concur with a comment in the November edition of *Law Scene* that this is a "shamefully short period given the importance and complexity of the issue, and the time of the year."¹

We acknowledge that long-term benefit dependency needs to be addressed, however, this report, along with a raft of other social security reforms such as the Social Assistance (Future Focus) Bill, and the IRD Supporting Children (child support) IRD issues paper does not tackle the reality of the social and economic circumstances of individuals who living on a benefit. Legislative change to social security, particularly where those changes impact upon benefits available to parents, needs to put the welfare of children first.

The welfare of children is the main focus of this submission, although we do submit concerns regarding the loss of training opportunities for "at risk youth" and problems in dealing with Work and Income New Zealand.

¹ *Law Scene*, November 2010, p. 2.

We would also like to draw attention to the area that we serve. The DCLC serves a rural and urban area; reforms which seek to address long term benefit dependency must take into account regional employment issues and the difficulty some individuals have in finding work in smaller communities.

The Welfare of Children

As with the earlier Social Assistance (Future Focus) Bill this discussion document focuses mercilessly on getting beneficiaries into “paid work” and “work expectations” without recognising, or acknowledging the context which leads to benefit dependency in the first instance, or the barriers faced by those who seek to enter the workforce, for instance affordable childcare for children of beneficiaries who are transitioning into work.

There needs to be job flexibility for particular groups on beneficiaries. As Annette King in the first reading of the Social Assistance (Future Focus) Bill, 2010 stated: “Where are the jobs that go from 9 to 3, with school holidays off? Where are the jobs for people who are unwell who have to take medication and have to have medical treatment.”²

Question 4: What changes do we need to reduce long-term benefit dependency of sole parents and reduce child poverty?

Here we would like to draw attention to comments made by Susan St John, executive of Child Poverty Action Group New Zealand.

“None of the report appears attuned to the circumstances of sole parents that make them fundamentally not comparable to people without children. The approach of the WWG is harsh and unsubtle: it does not recognise the needs of children, their age and health; the number of children, or any special needs which may exist, not to mention the health of the mother herself.”³

We submit the following comments to the Welfare Working Group’s question: “What changes do we need to reduce long-term benefit dependency of sole parents and reduce child poverty?”

(i) Focus on Paid Work:

Option 1: Enhanced status quo: Work within current expectations (part-time work expectations from when the youngest child is six years old)

Option 2: Early Childhood Education alignment: Part-time work obligation from when the youngest child is three years old; full-time work obligation from when the youngest child is six years old

² Annette King, New Zealand Parliament, Social Assistance (Future Focus) Bill – First Reading – 30 March 2010.

³ Susan St John, “Welfare Reform: Alternative Views on the Options” Institute of Policy Studies, seminar Wellington, 26 November 2010, p. 5.

Option 3: Alignment with parental leave protection: Part-time work obligation from when the youngest child is one year old; Unemployment Benefit from when the youngest child is six years old.

Options 1-3 do not take into account the individual circumstances of the sole parent. Making those on a domestic purposes benefit seek work while their child is very young seems quite punitive. For a variety of reasons recipients of the Domestic Purposes Benefit who seek work may find it difficult to accommodate their roles as primary caregivers and income earners, particularly if they do not have immediate family living nearby, or if their own parents are in fulltime work.

Sole parents can struggle to juggle childcare arrangements, and struggle to find reasonably priced childcare – particularly if they are required to take any job, and the only job they can find is outside of school hours, i.e.: an early morning or evening cleaning job, or a night shift job. Night shift jobs are not particularly practical for sole parents in any case, not only is there the question of who looks after the children during the night, but when does the parent have the opportunity to sleep during the day? For such a scheme to work adequate, safe and affordable childcare provisions must be put in place. As Metiria Turei has stated: “Parents on the domestic purposes benefit are best-placed to judge if and when to balance their childcare responsibilities with paid work.”⁴

Option 4: Unemployment Benefit: Provide for all sole parents through the Unemployment Benefit with reciprocal obligations and with employment related support.

Option three, the “Unemployment Benefit from when the youngest child is six years old” and Option four undervalues parenting as unpaid work. Sole parents who look after children are not “unemployed” but actively doing highly valuable unpaid work raising children.

We draw attention to a statement made by the Council of Social Services, Dunedin, in a September submission made on welfare reform, where they questioned the overarching emphasis on sole parents working: “Are contemporary norms realistic? Are we measuring the correct thing here? As a society do we value the role of parents that stay at home to raise children or do we view success as being employed without consideration to the affects absent parents have on our children?”⁵

Option 5: Youngest child: Tie the beginning of work expectations to the age of the first child rather than of subsequent children of a parent who enters the benefit system.

Option five is potentially unsafe for the first-born child. We can see the following situation arising when, for instance, the eldest child who may be a 10 year old is forced to look his/her 2 year old sibling while their parent fulfils their work obligations.

(ii) Child Wellbeing

⁴ Dan Satherley, “Green’s Rubbish Welfare Working Group Report”, 3 News, <http://www.3news.co.nz/defaultStrip.aspx?tabid=213&articleID=169689>

⁵ Council of Social Services, Dunedin, Welfare Reform Submission, September 2010

Option 1: Conditions that promote the wellbeing of children: Require every beneficiary with children to meet their parenting obligations. This could include tying the payment of a full benefit to the child's attendance at school and meeting minimum child health standards

This option has the potential to cause conflict between the parents of children, where the child or children are subject to a shared custody arrangement, and where each parent has a different perception of their own parenting obligations.

DCLC has observed the following situations which may unnecessarily impact upon the welfare of a child if Option 1 is adopted as a measure of whether the main parent receives a benefit:

- Insistence on children being placed on long bus journeys every second weekend - 12 hours return. (Aged 6 and 8).
- Parents dropping a child off back and forth over a weekend and telling each other neither can afford to feed him (aged 11).
- The idea that the child support is a 'contract', and paying money in return for seeing the child on whatever terms they decide.
- Asking children to pay for their own treats on car trips or outings. (Aged 7 and 9).
- Child arranged to travel to live with father but returned, as he was 'too expensive.' (Aged 10)

Option 2: Budgeting Activities: Requiring at-risk sole parents to engage in budgeting activities, including budget advice.

This is a sound option, but it is an option which needs to be well-resourced to work.

Option 3: Income management: Management of a component of beneficiaries' payment. Components of benefits are strictly managed when sole parents demonstrably fail to use the benefit appropriately (for example, failure to provide essentials for children).

How is this to be measured? Some beneficiaries struggle to put food on the table and rely on the goodwill of schools and community agencies to help them care for and provide essentials for their children due to the rising costs of food, petrol and rent.⁶ Forbury School, a primary school in South Dunedin has been running a breakfast programme for over 6 years now to assist families facing severe hardship because they live on a benefit. Principal Janice Tofia has commented that "the lack of food has certainly been an issue here [at Forbury School] over the years. Children can't learn if they are hungry."⁷

⁶ John Lewis, "Child Poverty a Stark Reality", *Otago Daily Times*, <http://www.odt.co.nz/print/6558?page=0%2C1>

⁷ John Lewis, "Child Poverty a Stark Reality", *Otago Daily Times*, <http://www.odt.co.nz/print/6558?page=0%2C1>

In 2009 Forbury School joined the Kick Start breakfast programme which is sponsored by the corporate sector, not the government sector.⁸ Forbury School has a three year contract with the Kick Start programme, but more government funding could be channelled into schools to assist them with ensuring all children have the capacity to learn.

iv: Support to Move into Paid Work

Option 4: The use of student allowances: “Sole parents encouraged to move onto student allowances when in effective, relevant or appropriate education or training.”

To be eligible for a Student Allowance individuals need to be studying fulltime, Studylink does provide an option for limited full-time status, as detailed below, but this criteria does not specifically take parenting into account, ie: a parent may need to be on limited full-time status for childcare reasons:

“Limited full-time status is a provision for students who are unable to undertake the workload of a full-time course due to one of the following reasons:

- You're finishing a recognised programme and to do this you need to study less than full time but more than half of a full-time course, or
- Your education provider supports your application to study less than full-time for one of the following reasons:
 - you have an illness that stops you from studying full time, or
 - you can't study full-time where there [sic] reasons beyond your control (this could include a disability which stops you studying full- time), or
 - it's in your best interests to study less than full time.”⁹

For this option to be workable parenting would need to be a specified category under Option 4. Questions also arise around who determines what is “effective” “relevant” or “appropriate” education? We would not like to see sole parents moved onto Student Allowances for training programmes which they may not be invested in. This also raises a further issue for our particular catchment. The DCLC services both a rural and urban community. Our rural clients, such as those from the Clutha District would find it more expensive to undertake tertiary study as they would need to travel to Dunedin to attend their course of study.

Tertiary and indeed secondary¹⁰ study is not for everybody; for some on the domestic purposes benefit education needs to take place at the very fundamental level of developing literacy skills and budgeting skills.

Finally, the Student Allowance is not available for breaks longer than three weeks, as detailed below:

⁸ Allison Rudd, “Boost for Dunedin School’s Breakfast Project”, *Otago Daily Times*, <http://www.odt.co.nz/print/42980>

⁹ <http://www.studylink.govt.nz/about-studylink/glossary/limited-full-time-status.html>
Accessed 18 December, 2010.

¹⁰ The student allowance is also available for secondary study.

“For breaks longer than three weeks, you are not entitled to receive the Student Allowance and/or Student Loan living costs.

The best way to support yourself financially on a break is to find work.

Work experience you get while you're studying can help you find the right job later on. Working in your chosen field is great if you can, but remember that every job will help you gain skills that all employers are looking for, for example, working in a team or communicating in the workplace.”¹¹

Again the focus here is on “finding work” during the summer tertiary break, but the tertiary semester intersects with primary and secondary school holiday breaks, so who funds the care of children while sole parents are in between semesters and required to find work? During this time parents will be in competition for paid work with students who do not have dependents. This latter category of students are likely to be seen by employers as more flexible, in the sense that they are more likely to turn up to work if phoned and asked to work at a moment's notice. For sole parents being phoned and asked to work at a moment's notice is often not practical as it takes time to organise childcare.

Dealing with WINZ

We further note in the Welfare Working Group report, (Chapter 3, p. 48) that one option for working with sole parents is:

“a clear process between the sole parent and an advisor which sets out the beneficiary's obligations to prepare for work and any other requirements which may support outcomes for children, and the services they may receive to support these results;”¹²

In theory this sounds good, however, the reality is that many people find Work and Income an intimidating place to be and heavy workloads mean that individuals on a benefit do not often get the one on one attention they need. A recent report in the *New Zealand Herald* highlighted that beneficiaries felt a “lack of compassion” from WINZ staff and the environment had become “cold and depersonalised” with no consistency in terms of individuals seeing one case manager. It was reported that clients were passed on to anyone who was available and who “may know nothing about them except what is in the computer system.”¹³

A recent TV3 news story highlighted that Work and Income staff were having difficulty making contact with, in this instance, sickness and invalids benefit recipients, due to high workloads. Part of the problem was that people came into WINZ seeking emergency support and food aid; this took priority over the case management of sickness and invalids benefit recipients.¹⁴

¹¹ <http://www.studylink.govt.nz/already-in-study/finance-during-breaks/index.html>

Accessed 18 December, 2010.

¹² Welfare Working Group, “Reducing Long Term Benefit Dependency”, Chapter 3, p. 48.

¹³ Simon Collins, “‘Cold’ WINZ Irks Beneficiaries”, *New Zealand Herald*, 10 September 2010,

<http://www.nzherald.co.nz/news/print.cfm?objectid=10672319>

¹⁴ <http://www.3news.co.nz/WINZ-staff-struggle-under-heavy-workloads/tabid/419/articleID/146779/Default.aspx>

Training as a Way to Address Long Term Dependence on the Unemployment Benefit

The WWG's report further identifies training as way to address long term dependence on the Unemployment Benefit. This is well and good, however, if this is to work then resources need to be channelled into training for "at risk" individuals. A recent Youth Development Forum held in Dunedin to examine the impact of the worldwide economic recession on the city was informed that up to 40 training spaces for "at risk" youth may be lost in Dunedin in 2011. This loss in funding was the direct result of funding cuts being made by the Tertiary Education Commission.¹⁵

Funding cuts for private training institutions would affect those establishments which offered Youth Training courses for 16-17 year olds and Training Opportunities (TOPS) courses for those aged 18 years and over. Providers affected by the funding cuts included Headquarters Hairdressing Academy, Community College Dunedin, Kokiri Training Centre, Salvation Army Employment Plus, Agriculture New Zealand and The Mission's Approach Community Learning Programme.

Cutting costs on training programmes will have a potentially long term impact on the ability of "at risk" youth to turn their lives around, especially if they are unable to access training programmes. Lynette Collins of the Kokiri Training Centre stated: "If we are not taking these young people, there could be additional costs in other areas, such as the courts, legal aid, social workers and so on. It's surely cheaper to give them to us for a year that [sic] to pay for the consequences."¹⁶

Places at The Mission currently stand at 52 TOPS places and 18 Youth Training places, funding cuts mean this would be reduced to 44 and 9 places respectively. While the Kokiri Training Centre expected to lose 10 of its 50 funded training places.¹⁷

Thank you for the opportunity to comment on this consultation document; once again we would like to draw your attention to the very short timeframe within which we were able to make comments and the timing of the release of this report, just before Christmas.

Yours sincerely

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http://digital.thestar.co.nz/olive/ode/str_daily/LandingPage/LandingPage.aspx?href=U1RSLzIwMDkvMDgvMjA.&pageno=MQ..&entity=QXIwMDEwMA..&view=ZW50aXR5

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